

It has been determined by legislation (ABx1 26) and court opinion (*California Redevelopment Association v. Ana Matosantos*) that Redevelopment Agencies (RDA) no longer exist as a legal entity as of February 1, 2012. The State Treasurer along with the Investment Division staff would like to share with you some general questions and answers regarding this issue.

- **What will happen to RDA funds if a successor account is not opened by February 1, 2012?**

No activity will be allowed until a successor entity resolution and LAIF resolution are received by LAIF. They may also need to update their bank and authorization information.

- **May an agency transfer their RDA funds to another LAIF account?**

Yes they may withdraw funds from an RDA account by January 31, 2012 and deposit these funds to another existing LAIF account up to the \$50 million cap.

- **May they request an agency name change for the RDA account?**

Yes but they must send a letter to request the agency name change, along with a successor entity resolution, LAIF resolution and complete a bank and authorization form.

- **Can an agency open a new successor RDA account?**

Yes they must send a successor entity resolution, LAIF resolution and complete a bank and authorization form then they can close their RDA account and transfer those funds to the new successor account.

- **What happens to the interest on an existing RDA account?**

The State Controller's Office will issue a warrant for the interest earned on the next interest posting date of April 13, 2012 if an account is closed. Interest will be posted to the existing RDA account if a balance remains in the account.

- **Can an RDA withdraw their bond funds before the scheduled maturity date?**

Yes, we will adjust the maturity date if funds are withdrawn on or before 1/31/12.

- **What if the RDA successor entity is not identified or is not able to provide the required documentation for several months?"**

No activity will be allowed in an RDA account until a successor entity resolution, a LAIF resolution, and the necessary authorization forms are received in order for LAIF to open a successor account. As in the instance where a PIN has been misplaced or forgotten LAIF must have the proper paperwork to reissue a PIN, the lack of documentation for a successor account will result in LAIF's inability to open the account. Be assured that the balance in the RDA account will continue to earn interest until the successor account is established.

- **Will the \$50 million cap be raised to accommodate the consolidation of accounts?**

No.

- **Can the successor LAIF participant authorize their withdrawals to go into the City's bank account?**

If the successor entity is the City, with the approval of the City's bank, the funds may go to the City's account.

- **What can be done to expedite the delivery of documents to LAIF?**

Please send your documents by FedEx or UPS to the following address:

Local Agency Investment Fund
California State Treasurer's Office
915 Capitol Mall, Room 106
Sacramento, CA 95814